

Manchester Concert Hall Limited

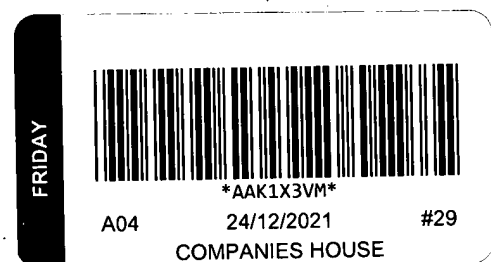
Company Registration Number 2913221

Charity Registration Number 1040342

The Manchester Concert Hall Limited

Report and Accounts

31 March 2021



Manchester Concert Hall Limited

Company Registration Number 2913221

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Current Directors

Michael O'Connor (Chair)

David McKeith

Cllr Emily Rowles

Matthew Wilde

Matthew Bennett

Louise Johnson

Akeim Mundell B.E.M.

Mark Dobson

Secretary

Manchester Professional Services Limited

PO BOX 532

Town Hall

Manchester

M60 2LA

Auditors

Percy Westhead and Company

Chartered Accountants and Statutory Auditors

Greg's Buildings

1 Booth Street

Manchester

M2 4AD

Bankers

Barclays Bank PLC

51 Mosley Street

Manchester

M2 3HQ

Registered Office

PO BOX 532, Town Hall

Manchester

M60 2LA

Directors Report

The Directors present their report and accounts for year end 31 March 2021.

Structure, Governance and Management

The Board currently consists of the Chair and seven Directors. The Board receives detailed papers on the business to be conducted at each meeting in advance. All Directors have access to the advice and services of the Company Secretary. The Company Secretary is responsible for advising the Board on governance matters and for ensuring compliance with Board procedures.

Directors are appointed for their legal, financial, business, artistic and community engagement expertise and receive induction on appointment to the Board that has been tailored to their individual needs. Away Days and training sessions are organised to support Board development as and when they are required.

Because the principal activity of the Board is to oversee the management agreement for the Bridgewater Hall (The Hall), the Chief Executive of the Bridgewater Hall, employed by ASM Global (formerly SMG Europe Holdings Limited) attends all Board meetings to present progress reports on the delivery of the management agreement.

The Board is exploring the Charity Governance Code and considering changes to the charity's Articles of Association to strengthen the Company's governance standards in line with the Code.

Objectives and Activities

The Manchester Concert Hall Limited, a company limited by guarantee (reg no. 2913221) and does not have any share capital. It is also a registered charity (reg no. 1040342).

The objects for which the Company is established are to promote, maintain, improve, develop and advance public education by the encouragement of the arts, including music, opera, drama, singing, mime, dancing, painting, sculpture, cinema, literature and other arts and in particular to provide and operate the Bridgewater Hall in the City of Manchester and ensure its ongoing public benefit. In this respect reference to the Directors includes reference to their role as trustees of the charity.

The Directors are also trustees of the charity and confirm that they have complied with the duty in section 17(5) of the 2011 Charities Act to have due regard to guidance published by the Charity Commission on public benefit.

The Company's responsibility is the provision and operation of the Hall, which is Manchester's Concert Hall.

The Hall is leased from Manchester City Council (The Council) to the Company at a peppercorn rental for a period of 35 years. The Company is responsible within the lease for the operation of the Hall on terms acceptable to the Council and the Company. The Company itself has no fixed assets.

Under the current management agreement, the Company has appointed ASM as operator to manage the Hall on its behalf.

Achievements and performance and the resulting public benefit during the year to 31 March 2021

The Hall is a prestigious music venue and an iconic building in Manchester. ASM, the operator of the Hall, aim to deliver a world-class cultural programme at the Hall, comprising classical and non-classical performances from the field of music, with a broad market appeal.

Since the Hall opened in 1996, it has established a strong reputation as one of the country's leading concert halls for both classical and popular music and conferences. The Hall's unique acoustics are widely acclaimed, which has earned it an enviable national and international reputation.

The role of the Board has been instrumental in guiding and supporting the ASM team to deliver within the original aspiration for the Hall established by the Council.

The Bridgewater Hall, like all other major live music venues, has been significantly impacted by the Covid-19 pandemic restrictions during this financial year. Therefore whilst the Company has continued to administer the operating contract for the Hall and to monitor the operator's compliance, any Key Performance Indicators relating to business as usual (including the International Concert Series and Learning and Participation programme) have inevitably been suspended. The Hall was closed for audience-facing performances for the duration of this financial year and has only opened on brief occasions to facilitate the recording of performances for online broadcast. The Company has however continued to oversee operational management, security, repair and maintenance as set out in the operating contract.

In the period April 2020 to March 2021 the Board has met on four occasions and its business was:

- To receive progress reports on from ASM Global on the impacts of the Covid-19 pandemic, including the associated period of closure, and key issues and considerations around reopening, including safety measures such as VenueShield. To oversee a programme of capital works which both maintains the aesthetics and facilities of the Hall and ensures its future viability.
- To discuss the stakeholder response to research commissioned on classical music audiences
- To consider the impacts of the UK's departure from the EU on the future of the Bridgewater Hall.
- To agree and adopt a trustees' expenses policy

In addition to the formal board meetings the trustees have also embarked on a series of workshops to consider equality, diversity and inclusion in more detail.

Plans for future periods

During the next period there will be a focus on Board recruitment and development. This will include recruitment to ensure that the Board collectively have a strong skills set and are reflective of the city's communities, and development sessions to enable the Board to work effectively and to uphold the highest standards of good governance. This will provide the foundations for the Board's work over the next five years to refresh the vision, business model and operating arrangements for the Hall ahead of a new management agreement period. This will include further work on forward planning and risk management, and an awareness of the wider pressures on the Hall – in particular as regards capital repair and maintenance and the impact of the UK exiting the European Union and the COVID-19 pandemic and the associated restrictions on the business model.

Directors and their interests

The Company is limited by guarantee and the Council was the sole member and guarantor at the year-end. The Council may appoint up to two Directors of the Company. The major risks to which the charity is exposed, as identified by the Directors, have been reviewed in the past but will need to be reviewed periodically in future, and appropriate systems established to mitigate these risks.

In the event of the winding-up or dissolution of the Company, any surplus assets shall be given or transferred to some other charitable institution having charitable objectives similar to the objects of the Company.

Members and Directors

The Member and Directors who served during this year were as follows:

Member		
The Council of the City of Manchester		
Directors		
	Date of Appointment	Date of Resignation
Michael O'Connor (Chairman from 23.02.15)	13.12.07	08.12.21
David McKeith	02.10.09	N/A
Cllr Emily Rowles	02.02.17	N/A
Matthew Wilde	02.02.17	N/A
Matthew Bennett	18.07.17	N/A
Louise Johnson	02.02.17	N/A
Akeim Mundell	26.07.19	N/A
Mark Dobson	09.08.19	N/A

Financial Review

Manchester Concert Hall Limited

Company Registration Number 2913221

Charity Registration Number 1040342

The accounts are prepared under the historical cost convention and in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and in compliance with the provisions of part 15 of the Companies Act 2006 and the Charities Act 2011.

The Company's balance sheet as at 31 March 2021 shows a balance of £59,992 on the General Fund (2019/20 £55,189). This balance remains sufficient to meet all outgoing items of expenditure and future plans and commitments.

As the operator makes no further contributions, the Council has a direct responsibility for the replacement of items of capital equipment within the Hall. The operator still has a responsibility for the day-to-day maintenance costs of the building.

The Company received income from the Hallé Concerts Society by way of rent. Expenditure represents management and administration costs and costs in monitoring the operator's performance in accordance with the Management Agreement.

The company did not engage in any investment activity during the financial year.

Statement of Directors' responsibilities in respect of the accounts

The Directors are responsible for preparing the Directors' report and accounts in accordance with applicable law and regulations.

Company law requires the Directors to prepare accounts for each financial year. Under that law, the Directors have elected to prepare the accounts in accordance with the UK Generally Accepted Accounting Practice. Under company law the Directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the net income or expenditure of the Company for that period. In preparing the accounts, the Directors are required to:

- Select suitable accounting policies and then apply them consistently
- Make judgements and estimates that are reasonable and prudent
- Prepare the accounts on the going concern basis unless it is inappropriate to presume that the Company will continue business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Small companies' exemption

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies. The statutory profit and loss account heading

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set out in the Companies Act have been amended to reflect the charitable nature of the Company and that it is not trading for profit.

Statement as to disclosure of information to auditors

So far as the Directors are aware, there is no relevant audit information (as defined by section 418 of the Companies Act 2006) of which the Company's auditors are unaware, and each director has taken the steps that he ought to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

Elective resolutions to dispense with holding annual general meetings, the laying of accounts before the company in a general meeting and the appointment of auditors are currently in force. The auditors, Percy Westhead and Company will therefore be deemed to have been re-appointed at the end of the period 28 days beginning with the day on which copies of their report and accounts are sent to members unless a resolution is passed to the effect that their appointment be brought to an end.

By order of the Board.



Edward Flanagan

For and on behalf of Manchester Professional Services Limited

21.12.21

Company Secretary

Date:

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THE MANCHESTER CONCERT HALL LIMITED**

Opinion

We have audited the financial statements of the Manchester Concert Hall Limited for the year ended 31st March 2021 which comprise the Statement of Financial Activities, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31st March 2021 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the RFC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' (trustees) use of the going concern basis of accounting is in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the directors' report other than the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us;
- the financial statements are not in agreement with the accounting records and returns;
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

Responsibilities of the Directors

As explained more fully in the Directors' responsibilities statement set out on page 6, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We identified areas of laws and regulations, relevant to a company of this size, that could reasonably be expected to have a material effect on the financial statements from discussions with the directors and key personnel. We communicated identified laws and regulations to our audit team and remained alert to any indications of non-compliance with laws and regulations.

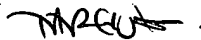
The company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation and taxation legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, as these may for example involve fraud or override of internal controls and we are not responsible for preventing non-compliance.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Timothy A R Elston (Senior Statutory Auditor)

For and on behalf of Percy Westhead & Company

Chartered Accountants

And Statutory Auditors

Greg's Buildings

1 Booth Street

Manchester

M2 4AD

Date: 23.12.2021

STATEMENT OF FINANCIAL ACTIVITIES AND INCOME AND EXPENDITURE ACCOUNT

For the year ended 31 March 2021

	Notes	Unrestricted General Fund £	Total Unrestricted funds 2021 £	Total 2020 £
INCOME				
Income from charitable Activities:				
Rental income from orchestra		23,000	23,000	23,000
Total income	2	23,000	23,000	23,000
EXPENDITURE				
Charitable Activities:				
Monitoring the performance of the Operator of the Hall		6,000	6,000	6,000
Governance and support costs	3	12,197	12,197	21,238
Total Expenditure		18,197	18,197	27,238
NET INCOME/(EXPENDITURE) FOR THE YEAR	4	4,803	4,803	(4,238)
Balances brought forward at 01 APRIL		55,189	55,189	59,427
BALANCES CARRIED FORWARD AT 31 MARCH		59,992	59,992	55,189

There were no recognised gains or losses other than the net profit for the year of £4,803 (2020 net loss of £4,238).

Manchester Concert Hall Limited

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BALANCE SHEET

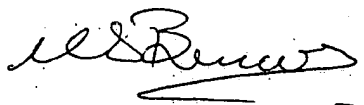
At 31 March 2021

	Notes	2021 £	2020 £
CURRENT ASSETS			
Debtors	6	50,334	276
Cash at bank and in hand		61,831	57,086
		<u>112,165</u>	<u>57,362</u>
CREDITORS: amounts falling due within one year	7	52,173	2,173
TOTAL NET ASSETS		<u><u>59,992</u></u>	<u><u>55,189</u></u>
FUNDS			
Restricted funds - Consultancy for future vision	9	0	0
Unrestricted funds - General fund	8, 9	59,992	55,189
		<u><u>59,992</u></u>	<u><u>55,189</u></u>

The accounts have been prepared in accordance with the special provisions of part 15 of the Companies Act 2006 relating to small companies and with the Charities Act 2011.

Approved by the Board

And signed for and on their behalf by



Matthew Bennett, Director

Date 20/12/2021

NOTES TO THE ACCOUNTS

For the year ended 31 March 2021

STATUTORY INFORMATION

The Manchester Concert Hall Limited is a charitable company, limited by guarantee, registered in England and Wales. The company's registered number and registered office address can be found on page 2.

The presentation currency of the accounts is the Pound Sterling (£).

1 ACCOUNTING POLICIES

Accounting Convention

The accounts are prepared under the historical cost convention and in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) effective 1st January 2015 - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Format of Accounts

The accounts have been prepared in a form required by the Companies Act 2006, although advantage has been taken to adapt the format and headings of the accounts to recognise the special nature of the company's activities and the recommendations of the Statement of Recommended Practice "Accounting and Reporting by Charities"

Repair and Maintenance of the Bridgewater Hall

The capital repairing obligations of the Bridgewater Hall remain with Manchester City Council as Freeholder. The company, on behalf of Manchester City Council, previously invoiced the Operator for a contribution towards those costs. The amount of this contribution was specified in the lease agreement with the Operator. However, Manchester City Council agreed that the operator be released from the obligation to make further contributions from January 2004 onwards. The money was held in a designated fund (referred to as a 'sinking fund' in the Directors' report) in the accounts of the Manchester Concert Hall limited until it was drawn down by the City Council to meet repair and maintenance expenditure. The fund has now been exhausted and the ongoing capital repairing obligations of the Hall will be met by the City Council.

Income

All incoming resources are included in the statement of financial activities on a receivable basis.

NOTES TO THE ACCOUNTS

For the year ended 31 March 2021

Expenditure

Expenditure is recognised on an accruals basis as a liability is incurred and where possible it is allocated to charitable activities. All other costs are treated as governance costs.

Taxation

The company, being a registered charity, is not liable for income and corporation tax on its net income.

2 INCOME

Turnover, which is stated net of value added tax (rate 0%), represents rent from the Hallé Orchestra.

3 GOVERNANCE AND SUPPORT COSTS

	2021	2020
	£	£
Insurance*	1,127	988
Legal and professional fees	8,910	18,030
Auditors' remuneration – audit services	2,160	2,220
	<u>12,197</u>	<u>21,238</u>

*Insurance relates to directors and officers liability insurance.

4 NET INCOME FOR THE YEAR

This is stated after charging:

	2021	2020
	£	£
Auditors' remuneration	<u>2,160</u>	<u>2,220</u>

5 STAFF COSTS AND NUMBERS

The Manchester Concert Hall Limited does not employ any staff; the company is served by the staff of Manchester City Council for which a management charge is payable.

No remuneration or expenses were paid to the trustees during the year.

NOTES TO THE ACCOUNTS

For the year ended 31 March 2021

6 DEBTORS

	2021	2020
	£	£
Trade debtors	50,000	0
Prepaid expenses	334	276
	<u>50,334</u>	<u>276</u>

7 CREDITORS

	2021	2020
	£	£
Trade creditors	0	0
Other creditors and accruals	52,173	2,173
	<u>52,173</u>	<u>2,173</u>

8 UNRESTRICTED FUNDS - GENERAL FUND

	2021	2020
	£	£
At 1 April	55,189	59,427
Income	23,000	23,000
Expenditure	(18,197)	(27,238)
	<u>59,992</u>	<u>55,189</u>

9 ANALYSIS OF FUNDS

	2021 Restricted funds £	2021 Unrestricted funds £	2021 Total funds £
Current assets	50,000	62,165	112,165
Creditors	(50,000)	(2,173)	(52,173)
	<u>0</u>	<u>59,992</u>	<u>59,992</u>

Restricted funds include an invoice raised during the year for grant funding to commission a consultancy on the future vision and priorities of the company and to develop and appraise business model options.

As no progress has been made on commissioning the consultancy at the year, the grant funding has been deferred in full.

NOTES TO THE ACCOUNTS

For the year ended 31 March 2021

10 MEMBERSHIP

The Manchester Concert Hall Limited is a company limited by guarantee with a permitted maximum membership of 11.

Every member of the company undertakes to contribute one pound to the assets of the company in the event of the company being wound up while he or she is a member, or within one year after he or she ceases to be a member, for payment of the debts and liabilities of the company contracted before he or she ceases to be a member.

If upon the winding-up or dissolution of the company there remains, after the satisfaction of all its debts and liabilities, any property whatsoever, the surplus shall be given or transferred to some other charitable institution having charitable Objects similar to the Objects of the company.

11 RELATED PARTY TRANSACTIONS

There were no related party transactions during the year, which require disclosure in the Accounts.

DETAILED INCOME AND EXPENDITURE ACCOUNT

For the year ended 31 March 2021

	2021	2020
	£	£
INCOME		
Rent from Hallé Orchestra	23,000	23,000
	<u>23,000</u>	<u>23,000</u>
EXPENDITURE		
Monitoring the performance of the Operator of the Hall	6,000	6,000
Administration costs		
Insurance	1,127	988
Legal and professional fees	8,910	18,030
Auditor's remuneration	2,160	2,220
	<u>18,197</u>	<u>27,238</u>
NET INCOME FOR THE YEAR	<u>4,803</u>	<u>(4,238)</u>